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NGC-Graded Coin Brings \$5M

Posted on 10/19/2007

Recently, an 1804 \$10 Gold piece made history as the highest price ever paid for a certified gold coin.

Highest Price in History for Certified Gold Coin

An 1804 \$10 Gold piece recently sold for \$5M, the highest price ever paid for a certified gold coin. The coin was graded by Numismatic Guaranty Corporation, and is the finest known of certified examples. The 1804 \$10 proof gold piece was struck in 1834 for President Jackson, to give to foreign dignitaries as the United States began to open up trade with Asia.



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Historical Background on the 1804 Proof Eagle - NGC PF65



Ultra

Cameo

By David Lange

The proof edition of the 1804 gold eagle, or ten-dollar piece, is a classic American rarity. Only three examples are known to survive from an estimated mintage of four-eight coins.

The preparation of diplomatic presentation sets of United States coins circa 1834-35 prompted the minting of this proof-only edition. As no ten-dollar pieces had been issued since 1804, the Mint Director requested and received several proof examples from dies back-dated to 1804 but prepared for this occasion using technology of the 1830s.

There are subtle distinctions between the circulating edition minted in 1804 and these proof presentation coins. The most notable of these is that the old coins have a crosslet-style numeral 4 in the date, while the proof coins made during the 1830s have a plain 4. Other differences are found in the number of reeds on their edges (126 for the originals and

200 for the proofs) and in the length of the border denticles (long for originals and short for the proofs).

Of the three known examples, one is presently on long-term loan to the museum of the American Numismatic Association, while a second is likely to always remain with its companion coins as part of the famed King of Siam proof set. This leaves the third example, which recently sold at a record price for a certified and encapsulated United States gold coin.

A glittering, ultra cameo proof, its fields are delightfully brilliant and reflective, while its devices are richly frosted. This magnificent rarity is superbly struck throughout and has very clean surfaces, with just a hint of orange toning around its peripheries. With a pedigree that includes Woodin, Newcomer and Col. Green, this beauty is the finer of just two certified by NGC (10-07).

This coin was also displayed as part of a guest exhibit at the Smithsonian Legendary Coins and Currency opening reception. NGC and NCS were the presenting sponsors of the exhibition. Another famous example of this coin is part of the King of Siam Collection, also graded by NGC, and featured in the NGC Gallery. <http://www.ngccoin.com/gallery/king.asp>

The coin was traded between 2 anonymous collectors, and the transaction was handled by Albanese Rare Coins in Albion, NY.

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The 1804 Eagle graded PF65 Ultra Cameo displayed December 2005 at the Smithsonian Legendary Coins and Currency opening gala.

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From the Grading Room: \$50 Gold Eagle Error

Posted on 10/19/2007

A rare \$50 Gold Eagle struck almost entirely out of the collar revealed gorgeous tripled images.

The U.S. Mint's American Eagle gold bullion coin program debuted in 1986, calling for the creation of several new collar sizes for the four-piece lineup. There was bound to be some trial and error as a result, yet the number of mint error coins actually escaping careful inspection at the mints has remained extremely small for the American Eagle series.



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This amazing gold one-ounce coin dated MCMLXXXVI (1986) is just such an error, a coin struck almost entirely out of the collar. In fact, just a trace of the collar's reeding is visible along the reverse rim. Both sides reveal tripled images of all peripheral elements as a consequence of the coin's unrestrained expansion between strikes.

It is the fate of many mint errors that manage to find their way to collectors to become damaged by the mint packaging equipment, due to the coins' non-standard shape. This lovely specimen, however, is a gorgeous gem which has been certified by NGC as MS-69. It is boldly struck, fully lustrous and reveals just the faintest hint of milky toning. It is encapsulated in the EdgeView™ Holder, enabling viewing of the coin's plain edge.



[EdgeView™ Holder](#)

*enables viewing of the
coin's plain edge.*

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United States



Strong Market Exhibits Positive Atmosphere

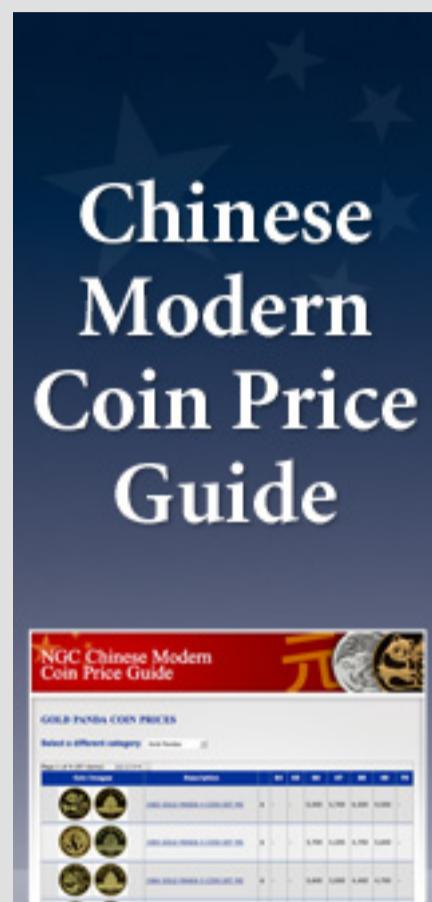
Posted by [NumisMedia](http://www.numismedia.com/) on 10/19/2007

Numismedia's recent research says that there's still plenty of money out there for truly rare coins.

NumisMedia is proud to offer a new upgraded format of our monthly *Fair Market Value Price Guide*, beginning with this October issue. The reduced overall size is more compact and easier to carry while maintaining its readability. We have added the MS68 grade to all series and now list Standing Liberty Quarters, including Full Head. You will also note that we now report the ups and downs of the market in bold for increases and in italics for declines, based on values from the last issue. Most advertising is now located on the back pages and features full color. We hope you enjoy these enhancements.

Results from the last few major coin shows (including auctions) indicate that the market remains very strong for coins that are properly graded and at least slightly difficult to obtain. The market has been dividing itself into two categories for a few years. This is now becoming more obvious to astute observers and participants. Over the last several years, new collectors of numismatics have been purchasing most of the common coins for their particular set collections. This has occurred in mass, and thousands of coins have been taken off the market. However, there has been a slowdown in demand for these very same coins. As a result, many common coins are just resting in dealer inventories until additional new collectors enter the market. The majority of dealers tend to reasonably price these kinds of coins compared to issues that are more active.

There are a few areas of the market that gather the majority of numismatic attention, yet numerous series receive little recognition. Most of these coins quietly trade within the upper echelon of dealers and collectors, experts to their rarity, with little need to advertise their availability. These advanced traders know



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who to call and how much they will pay for these desirable issues. Just about all Bust material and most of the Seated coinage falls into this category. Many experts in these areas do not want updated prices reported because it makes for an even playing field for those with less knowledge and experience. In the past few years, we have seen some major advances for this early material, and the current market continues to support even higher levels.

Bust Half Dollars are very popular and have been for quite a long time. Numismatists are looking for original specimens that have not been cleaned or retoned. For the following FMV comparisons, we used prices from January 2005 and today's current levels. The common Flowing Hair Half Dollar was \$25,000 in MS60 in 2005. Today it has an FMV of \$35,630, and we see few traded in this grade or higher. In the last three years, we have only seen three mint state examples traded in Heritage auctions, and one of these was an MS64 for over \$100,000. Draped Bust Halves have increased from \$96,880 in MS60 to \$218,750 today. Several dealers would be more than happy to purchase any of the mint state coins that may come onto the market. If you study the census reports from NGC and PCGS, you soon realize that the number of coins certified is generally very small compared to the original mintages. Further, mint state coins are so infrequently traded that new information on potential sales can be multiples of the current FMV.

Most of the Capped Bust Half Dollars have more than doubled in price in various grades since early 2005. The main reason for these increases is the low quality of the coins we see on the market. Many of the raw coins in dealer inventories may look nice, but have surface problems upon close scrutiny. The reason they are not certified is that NGC and PCGS will not grade coins that have damage, excessive marks, or artificial toning. When you see really nice certified coins in inventory, there are always customers willing to buy them. The only drawback may be that dealers act unreasonable with their prices. Consequently, the more aggressive collectors are the ones adding these little gems to their collections. An additional factor that influences premiums for Bust Halves is the Overton variety. There are thousands of collectors acquiring coins by variety, and when two potential buyers see the same rarity (usually in an auction), the price realized can be dramatically higher than the present FMV. Below are some examples of specific dates and how much they have advanced since 2005.

Bust Half Dollars	January 2005	October 2007
1808/7 AU58	\$1,380	\$1,950
1811 AU58	\$504	\$1,110

1812 MS60	\$870	\$1,530
1815/2 MS60	\$10,630	\$15,630
1815/2 MS63	\$24,440	\$30,940
1818 MS64	\$3,340	\$4,560
1821 MS63	\$2,050	\$3,030

In this short timeframe, we note an interesting fact: the lack of a significant increase in the number of new coins certified by either service. Demand is higher for a relatively fixed number of coins in the market. Further, this supply diminishes almost on a weekly basis. But, judging by what we saw at the just completed Long Beach Expo, the demand for properly graded Bust Halves may not slow for quite awhile.

Another area that does not seem to be slowing down is Early Gold. Again, the same factors apply when searching out what serious connoisseurs are desiring in Bust \$2 ½, \$5, and \$10 Gold coins: eye appeal, no damage, and properly graded coins. The majority we see traded are usually in XF through the AU grades. Most collectors do not expect to locate coins in mint state because of the low census numbers, but when available, they need to be extremely aggressive to make a purchase. In the past month there have been many increases for these early issues. The only reason many of the others have not increased is their lack of availability in the market.

One characteristic all these coins have in common is that they would probably trade at even higher levels if available to the thousands of advanced numismatists in today's market. The significance of the coin market is that the majority of truly rare coins are not readily available when a willing buyer is anxious to make a purchase. With plenty of money still available for truly rare coins, buyers must broaden their search or await the battle that will ensue upon the next rarity to hit the market ... either way, the future appears very bright for numismatics.

This article is a guest article written by:



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 United States 

Analyzing the Pittman Act of 1918, Part One

Posted on 10/19/2007

We take a close look at this legislation and its effects on scarcity in the rare coin market that still linger today.

Many articles regarding the history of Morgan silver dollars have made reference to the Pittman Act of 1918, under which 270,232,722 silver dollars were rendered into bullion. Typically, this figure is presented to justify the current scarcity of certain issues which had high mintages, and little more information is included regarding this remarkable piece of legislation. While the story of how the bill was prepared and enacted is of some interest, it is the way in which its terms were carried out that provides the subject of this month's column.



In the course of researching my various books, one of the most useful documents has been the annual report of the director of the Mint. Still published today, recent editions have been quite skimpy and read more like shareholder's reports, with the emphasis being mostly on the Mint's marketing efforts and profitability. Earlier editions, however, particularly those from the 1890s through the 1920s, offer a wealth of historical and technical data. The 1928 edition includes a detailed summary of the Mint's fulfillment of the Pittman Act, and much of this information is unknown to the majority of silver dollar enthusiasts.

Enacted April 23, 1918 and named for its primary sponsor, Senator Key Pittman, this law was titled "An act to conserve the gold supply of the United States; to permit the settlement in silver of trade balances adverse to the United States; to provide silver for subsidiary coinage and for commercial use; to assist foreign governments at war with the enemies of the United States; and for the above

purposes to stabilize the price and encourage the production of silver." It authorized the destruction of up to 350 million silver dollars, as needed, for the goals stated above.

Let's look at this legislation and its effects one clause at a time: "... to conserve the gold supply of the United States..." World War I began in 1914, lasted through most of 1918, and, in some countries, was followed by two or three years more of civil unrest. Among the war's first casualties was gold coinage. While the USA continued to coin and issue gold as late as 1916, most of the world's nations were compelled to suspend their gold standards almost immediately. Pumped-up wartime spending had led to inflation and speculation in precious metals, and this prompted the discontinuance of gold coinage. Most European silver coins dated 1915-20 survive in uncirculated or just lightly worn condition, as they were immediately hoarded for their intrinsic value.

In the USA, the payment of gold coin was suspended in 1916, and for the next several years these coins could be obtained only at a slight premium. It was not until 1920 that the normal coining of gold resumed, but the everyday use of these coins in commerce, once a common sight in the Western states, had gone forever. The quarter and half eagles were seldom coined and remained premium pieces, while the higher-value gold coins were unknown to Americans other than bankers and coin collectors.

America's entry into the war in April of 1917 required the same massive expenditures that were then ruining the economies of Europe. With its undeveloped armed services, the USA was heavily dependent on European arms, aircraft, etc. International payments were always made in gold, and this left our nation with a negative balance of payments. While this trend was ultimately reversed with America becoming the postwar banker to Europe, in the short term it created a drain on the USA's gold supply. The Pittman Act thus attempted to address this concern by freeing idle silver dollars that were offered in lieu of the precious gold. Desperate for American money and military personnel, the nations of Europe were likely to comply with this compromise. Thus we find the phrase "to permit the settlement in silver of trade balances adverse to the United States" included as the second clause in the Pittman Act's title.

"... to provide silver for subsidiary coinage and for commercial use ..." As the melting of silver dollars commenced, 11,111,168 pieces were assigned toward the coining of subsidiary coins (after 1853, the half dollar, quarter dollar, dime and half dime had been coined at a lower weight standard than the dollar and were thus subsidiary to it). The reason for including this provision was that the U.S. Mint was coping in 1918 with an unprecedented demand for all coins, from cent through

half dollar, due to the booming wartime economy. It was seen as a way of relieving this situation and partially compensating the Mint for its time lost in melting millions of silver dollars. The reference to “commercial use” was likely included to curb inflationary pressure on the price of silver, which was making its use in industry very difficult. By flooding the domestic market with silver, its price was almost certain to come down a bit.

Next month’s column will conclude this study with a look at the international application of Pittman silver and an examination of the actual destruction and subsequent replacement of more than 270 million silver dollars.

David W. Lange's column, “USA Coin Album,” appears monthly in Numismatist, the official publication of the [American Numismatic Association](#).

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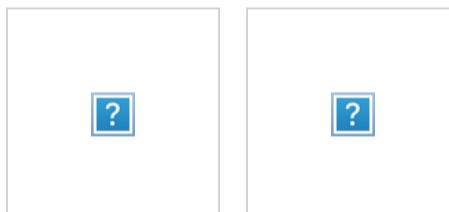
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1997 Botanic Garden Commemorative Silver Dollar

Posted on 10/23/2007

Jay Turner provides a fascinating history of the first U.S. Botanic Garden, and the coin that has helped restore plant conservation in the U.S.

This month's Modern Coin of the Month marked a new beginning for a sometimes underappreciated yet important institution. Proceeds from the sale of 1997 Botanic Garden commemorative coins helped fund a renovation of the historical United States Botanic Garden and its continuing efforts.



click image to enlarge

Throughout history, botanic gardens have played an important role in the study, preservation and collecting of plants and plant life. While the study of botany can be traced back to ancient times, the plant life studied was often only in the surrounding area of the person studying it. As trade routes developed, and through the colonization of new lands such as Africa, the Americas and Asia, exotic plants became more accessible for study. These plants were also desired for their medicinal properties, as food sources, and for other uses. Soon, botanic gardens would appear in major European cities as explorers returned with new plants they had collected overseas.

The United States Congress felt this endeavor was important for America to participate in as well, since such institutions had existed for hundreds of years in Europe. The Columbian Institute for the Promotion of Arts and Sciences proposed the idea to collect the plants of America and other countries to grow, distribute and benefit the American people. The United States Botanic Garden was officially established in 1820, but by the 1830s, meetings for the institution ceased. However, the Botanic Garden was reestablished in 1842 when plants from across the world were brought back to Washington from an exploring expedition to the South Seas. The Botanic Garden has moved several times, but the current

structure established in 1933 is located in Washington, D.C., on the U.S. Capitol Grounds.

By 1994 the Botanic Garden needed funding for restoration, to continue projects and start new missions. The Botanic Garden commemorative dollar was proposed and signed into law with a \$10 surcharge per coin going toward such projects. The coins went on sale in 1997 being offered individually, in Botanic Garden Sets with a special matte finished Nickel, and in Prestige Sets. The coin, though generic in its design, was well received, and over 264,000 proofs and over 57,000 mint state examples were sold.

Through funding from the coin and other sources, the Botanic Garden closed in September of 1997 for restoration and reopened to the public in 2001. Construction continued on parts of the garden until 2006.

The mission of the Botanic Garden is not only to offer visitors the experience and education of viewing exotic plants. The collection and preservation of specimens allows for genetic research and the conservation of plant life. As unfounded fears of GMO plants are spread, the Botanic Garden holds original plants as they were found and collected in nature. Also, it allows for species of plants that are threatened in the wild to be preserved for future generations. Today there are over 700 botanic gardens in the United States alone. However, the Botanic Garden commemorated on the 1997 coin was the first started by the United States government.

The United States Botanic Garden is certainly an institution worthy of commemoration based on its history alone. The 1997 Botanic Garden Commemorative Silver Dollar not only helped to preserve that history, but also helps support the future of the institution, making it an interesting choice for Modern Coin of the Month.

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Coins with Surface Problems among the Greatest Challenges to Authenticators

Posted on 10/19/2007

Counterfeit and cleaned? Or the genuine thing? This problem requires an expert eye.

Authenticators in the past relied heavily on a coin's physical properties such as weight, diameter, thickness, color, and specific gravity to determine its authenticity. Today, our task has become more difficult. This is because counterfeits in general have become more sophisticated and deceptive. Many modern die-struck fakes are made within the tolerances of genuine Mint products, so measurements are of less help than they were in the past. At the same time, more "problem" coins are being sent to grading service providers.

Among the greatest challenges to coin authenticators are eighteenth and nineteenth century gold or silver type coins with no original surface remaining. The measurement of coins in this condition is seldom useful, due to the metal loss associated with them. Additionally, whizzed coins and coins that have been harshly cleaned, repaired, or recovered from the ground present special problems because, in many instances, they can look similar to counterfeits.

When a coin's original surface has been ruined, most of the characteristics we use to authenticate are either changed or obliterated. Harsh cleaning can alter a coin enough so that its color becomes unnatural. Unusual color was once an indication of a poorly made fake. Cleaning also changes the color of any contact marks on a coin's surface from bright to dull so that they resemble the marks transferred to counterfeits from a host coin. Coins recovered from sea water can lose parts of their design as well as traces of the metal flow lines that authenticators look for on coins struck from dies. Even repaired coins or coins that have been buried may develop smooth rounded lumps on their surfaces, similar to

those found on cast replicas. In each of these cases, the microscopic appearance of a coin's surface is lacking, making authentication difficult.

Collectors and dealers have the option to “walk away” from a coin that looks suspicious; yet professional authenticators are expected to know if a coin in any condition and with any surface problem is genuine or counterfeit. In cases where the original surface of a coin is lost, the expertise of a specialized numismatist or professional grading service is invaluable. Is it a century-old cast counterfeit that has been cleaned and whizzed or possibly a genuine coin that was unearthed and cleaned?

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